

## MARKET RELEASE

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22 March 2004

### **CHALLENGER SELLS FORESTRY ASSETS FOR \$71M**

22 March 2004, Sydney - Diversified financial services company Challenger Financial Services Group Limited (Challenger - CGF), today announced it had entered into an exclusive arrangement with Great Southern Plantations Limited (GTP) for the rights and obligations to acquire approximately 84,000 hectares of forestry assets.

Under the terms of the arrangement, Great Southern Plantations will acquire the forestry assets for \$71m, an increase of \$17m above Challenger's purchase obligation.

The assets were to be acquired by Challenger from Zurich Capital Markets (ZCM) for \$54m via a put and call arrangement, which provided a 12 month deferred settlement, as part of the Interstar Securities transaction in September 2003.

Challenger's CEO, Mr Chris Cuffe said he was pleased with the outcome of the transaction. "The forestry assets were acquired as part of an overall package where our key interest was Interstar. The successful sale of these non core forestry assets, at an attractive price, is further evidence of the very favorable terms we were able to negotiate for the purchase of Interstar, which is proving to be an outstanding strategic fit for Challenger," Mr Cuffe said.

The transaction with Great Southern Plantations is expected to settle by the end of March 2004 at which time Challenger will have no remaining obligations to ZCM.

The transaction is also subject to Great Southern Plantations arranging finance and finalisation of legal documentation.

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